

CONSERVANCY TAHOE LIVABLE COMMUNITIES PROGRAM UPDATE

The purpose of this update is to provide the background and status of the California Tahoe Conservancy (Conservancy) Tahoe Livable Communities (TLC) Program. The Conservancy launched the TLC program in 2014 to accelerate implementation of State Senate Bill 375, the Sustainable Communities and Climate Protection Act of 2008, and the Lake Tahoe Regional Plan (Regional Plan). The goals of the TLC program are to:

1. acquire and restore aging developed properties on environmentally sensitive lands and retire or transfer the development rights to town centers;
2. sell, lease, or exchange vacant Conservancy land in town centers; and
3. acquire the remaining private properties in several of Lake Tahoe's roadless subdivisions to remove the threat of development.

In the last five years, the Conservancy acquired ten developed or roadless subdivision properties, restored the environmentally sensitive portions of the properties, and banked the development rights for housing and other infill projects in town centers. Conservancy staff sold banked development rights for several sustainable communities projects, including the new Tahoe City Lodge and the remodel of an aging, shuttered motel to a new housing development in Kings Beach. Additionally, the Board designated 17 of the Conservancy's parcels in town centers as "Asset Lands" to support housing and sustainable compact development consistent with local area or town center plans.

Tahoe Livable Communities Program Status

Since the Conservancy's last Board meeting in March 2020, Conservancy staff initiated and coordinated the following items for the TLC Program. With these ongoing efforts and accomplishments, the Conservancy is well positioned to deliver on Strategic Plan Goal 4 (Foster Basinwide Climate Change Adaptation and Sustainable Communities).

1. Conservancy Acquisitions and Land Bank

- **Property Acquisitions:** The Conservancy has budgeted \$6.9 million over the next five years to acquire environmentally sensitive lands and developed properties to prevent further degradation of water quality and promote the transfer of development from outlying areas to town centers. Conservancy staff is currently in negotiations and has initiated due diligence activities on five parcels.

Conservancy staff is in the process of acquiring three of the five environmentally sensitive parcels. The Conservancy Board approved two parcels for acquisition in

March 2020. The third parcel, located in El Dorado County, is included in the June 2020 Board Agenda as Item 2c for consideration. Conservancy staff expects to complete due diligence and close escrow on all three parcels by fall 2020 pending Board approval on the third.

The Department of General Services (DGS) recently approved the appraisals for two developed parcels on sensitive lands. The two developed parcels are located in South Lake Tahoe. Conservancy staff is negotiating with willing sellers, performing necessary due diligence, and completing DGS transaction review. Depending on the outcome, staff intends to bring a staff recommendation for acquisition for Board consideration.

- **Conservancy Land Bank:** The Conservancy continues to bank and transfer development rights and land coverage to promote housing and sustainable communities projects in town centers. Conservancy staff is working on several pending requests for land bank rights for proposed affordable housing, town center, and other infill projects in the City of South Lake Tahoe (City) and El Dorado and Placer counties.

Conservancy staff continues to coordinate one specific land bank transaction for an affordable housing project in Placer County located at 3160 North Lake Boulevard, between Tahoe City and Kings Beach (Attachment 1). The project developer needs additional land coverage to make the proposed affordable housing project viable. A Conservancy parcel abuts the project site. Conservancy staff is in the process of developing potential options with respect to this project, including the sale or transfer of coverage associated with the Conservancy parcel.

2. Conservancy Asset Lands and Related Statewide and Local Initiatives

- **Governor Gavin Newsom Executive Order N-06-19:** Executive Order N-06-19 requires the DGS and Department of Housing and Community Development (HCD) to identify and prioritize excess state-owned property, and aggressively pursue sustainable, innovative, cost-effective housing projects. As part of its implementation of the executive order, in September 2019, the DGS selected two Conservancy asset land parcels for housing projects: 1860 Lake Tahoe Boulevard and 1029 Tata Lane. This Conservancy partnership with the DGS and HCD provides access to contracted economic and architectural consultant services, and expertise regarding alternative land transfer approaches such as a long-term ground lease. Conservancy staff convenes weekly with the DGS, HCD, Tahoe Regional Planning Agency (TRPA), and the City on the two DGS-selected asset lands. See “Asset Lands in the City” below for more detail.
- **South Shore Housing Needs and Opportunities Assessment (Assessment) and Housing Action Plan (Action Plan):** The Conservancy is a Strategy Group Member

for the Tahoe Prosperity Center's (TPC) Assessment and Action Plan. The TPC released the Assessment in October 2019 and released the Action Plan in March 2020. The Action Plan provides housing strategies, policies, and programs. The Conservancy will implement the following action items from the Action Plan:

- A "Welcome Mat" initiative to ease navigation of the entitlement and development process in the Lake Tahoe Basin (Basin). The "Welcome Mat" initiative is included in the recent Request for Proposals (RFP) released by the DGS on two Conservancy asset lands at the South Tahoe "Y" (1860 Lake Tahoe Boulevard and 1029 Tata Lane).
- TLC goals to accomplish housing and sustainable communities strategies in town centers on Conservancy asset lands.
- Capacity-building grants for local organizations active in implementing the goals of the action plan.
- Grants and financing opportunities to support housing development and preservation.

More information on the Assessment and Action Plan and related documents can be found on the TPCs website at <https://tahoeprosperity.org/housing-study/>.

- **Conservancy Asset Lands Status:** In March 2014, the Conservancy Board identified 17 asset lands in three urbanized areas (the City, Kings Beach, and Meyers) that could support sustainable compact development consistent with local area or town center plans. The Conservancy will consider selling parcels only when they are not needed to achieve Conservancy conservation or recreation goals, or when state ownership is no longer necessary to achieve the goals of the original acquisition. Over the next year, Conservancy staff may seek Board authorization to identify additional Conservancy parcels eligible to include in the asset lands program.

The Conservancy Board authorized staff to conduct due diligence activities for six asset lands in the City in March 2014 and September 2016, two asset lands in Kings Beach in June 2019, and nine asset lands in Meyers in August 2019. The asset lands are an important tool to revitalize the Basin's town centers, protect sensitive lands, and meet the goals of the Regional Plan and local area plans.

Since March 2020, Conservancy staff has coordinated the following items on Conservancy asset lands:

Asset Lands in the City (Attachment 2)

- 833 Emerald Bay Road, Assessment Number (AN) 023-171-009
The Conservancy remains in discussions with Dinsmore Sierra regarding potential development of housing on this site, and plans to meet with the City to discuss site design and permitting fees. Depending on the project design needs, the City may work with Dinsmore Sierra to add its adjacent parcel to the project area. The City acquired the parcel with a Conservancy general fund grant for erosion control purposes, but the parcel may be able to accommodate both erosion control and housing.
- 2070 Lake Tahoe Boulevard, ANs 023-381-001 and 023-231-003
The Conservancy executed an updated exclusive negotiating agreement (ENA) in December 2019 with 2070 LTB, LLC for mixed-use development, including housing and commercial, on the site. The ownership group, 2070 LTB, LLC, held a pre-application meeting in February 2020 with the City and TRPA to review their revised site plan. In March 2020, 2070 LTB, LLC submitted their design concept materials, as required in the ENA, to the Conservancy staff. Going forward, 2070 LTB, LLC has indicated it will submit a project application to the City and TRPA, and complete required environmental review.
- 1860 Lake Tahoe Boulevard (AN 032-291-028) and 1029 Tata Lane (AN 032-291-031)
The DGS, with the Conservancy and HCD, distributed a Request for Qualifications in January 2020 to select a short list of developers to respond to an RFP this spring. DGS released the RFP to the short list of selected developers in March 2020.

On April 23, 2020, the Conservancy held a virtual community meeting to provide an informational update. The virtual community meeting had over 60 attendees. The Conservancy, DGS, and HCD provided an update on the project and accepted questions and comments from the public.

Developers are presenting proposals for mixed-use development, including affordable housing, on the site in June 2020. Conservancy staff are currently reviewing development proposals as part of a Core Evaluation Team (the DGS, HCD, and Conservancy), along with a Technical Advisory Committee including the TRPA, City, and El Dorado County. The final selection of a developer is scheduled to occur by the end of June 2020.

Asset Lands in the Kings Beach Area Plan (Attachment 3)

- 8602 North Lake Boulevard (AN 090-134-056) and 8644 Speckled Avenue (AN 090-094-022)
In June 2019, the Board authorized staff to conduct due diligence activities on the Kings Beach asset lands. In April 2020, Conservancy staff entered into an

ENA with an adjacent landowner concerning 8602 North Lake Boulevard. The adjacent landowner is pursuing a mixed-use project (“Brockway North”) with an off-site workforce housing component. Conservancy staff continues to discuss future options with Placer County concerning 8644 Speckled Avenue.

Asset Lands in the Meyers Area Plan (Attachment 4)

- ANs: 034-331-015 (3131 U.S. Highway 50), 034-311-023 (3121 U.S. Highway 50), 034-300-025 (no address), 034-300-026 (no address), 034-300-027 (no address), 034-300-028 (no address), 035-261-004 (no address), 035-261-005 (961 Pomo Street), and 035-261-006 (945 Pomo Street)

In August 2019, the Board authorized staff to conduct due diligence activities on the Meyers asset lands. Conservancy staff has received inquiries from local and state government agencies concerning possible uses of various asset lands in Meyers. The Conservancy met with El Dorado County in October 2019 to further discuss opportunities to partner on the Meyers asset lands. The Conservancy met with the TRPA and Tahoe Resource Conservation District (Tahoe RCD) in November 2019 to discuss a potential partnership for a boat inspection station on four of the Meyers asset lands. The TRPA and Tahoe RCD are working on preliminary site plans to determine the feasibility of a new station.

List of Attachments

- Attachment 1 – [Land Bank Affordable Housing Project, 3160 North Lake Blvd Map](#)
Attachment 2 – [City of South Lake Tahoe Asset Lands Map](#)
Attachment 3 – [Kings Beach Asset Lands Map](#)
Attachment 4 – [Meyers Asset Lands Map](#)

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